

HOUSE BILL 790
EMERGENCY BILL

Unofficial Copy
C8

2001 Regular Session
(11r1313)

ENROLLED BILL
-- Economic Matters/Budget and Taxation --

Introduced by **Delegate Taylor**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Maryland Economic Development Corporation**

3 FOR the purpose of clarifying and altering the legislative purposes and legislative
4 intent relating to the Maryland Economic Development Corporation; clarifying
5 the ability of the Corporation to make certain loans to certain persons for certain
6 purposes; clarifying the ability of the Corporation to create, own, control, or be a
7 member of, certain persons; authorizing the Corporation to place the proceeds of
8 certain bonds in escrow under certain circumstances; expanding the power of
9 the Corporation and certain persons to make certain investments; declaring the
10 effect of certain findings by the Corporation's board of directors; altering certain
11 definitions; making stylistic and technical changes; making this Act an
12 emergency measure; and generally relating to the Maryland Economic
13 Development Corporation.

14 BY repealing and reenacting, with amendments,
15 Article 83A - Department of Business and Economic Development
16 Section 5-201, 5-202, 5-205, 5-206, and 5-212(a)

1 Annotated Code of Maryland
2 (1998 Replacement Volume and 2000 Supplement)

3 BY adding to
4 Article 83A - Department of Business and Economic Development
5 Section 5-215
6 Annotated Code of Maryland
7 (1998 Replacement Volume and 2000 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
9 MARYLAND, That the Laws of Maryland read as follows:

10 **Article 83A - Department of Business and Economic Development**

11 5-201.

12 (a) In this subtitle, the following words have the meanings indicated.

13 (b) "Bonds" means all bonds and notes of the Corporation, including bond
14 anticipation notes, revenue anticipation notes, grant anticipation notes, refunding
15 bonds, notes in the nature of commercial paper, or other evidences of indebtedness of
16 the Corporation, whether general or limited obligations of the Corporation issued
17 under this subtitle.

18 (c) "Corporation" means the Maryland Economic Development Corporation.

19 (d) "Cost" shall include the purchase price of any project or the cost of
20 acquiring all or any portion of the right, title, or interest of a project and the amount
21 to be paid to discharge all obligations necessary or desirable to vest title to the project
22 or any part of it in the Corporation or other owner; the cost of any reconstruction,
23 extension, enlargement, alteration, repair, or improvement; the cost of all lands,
24 properties, rights, easements, franchises, and permits; the cost of all labor,
25 machinery, and equipment; financing charges; interest before and during construction
26 and, if deemed desirable by the Corporation, for a limited period after the completion
27 of construction; reserves for principal and interest and for extensions, enlargements,
28 additions, and improvements; the cost of revenue estimates, engineering, and legal
29 services, plans, designs, specifications, surveys, investigations, demonstrations,
30 studies, estimates of cost, other expenses necessary or incident to determining the
31 feasibility or practicability of any such acquisition, improvement, repair, or
32 construction; administrative expenses, and other expenses as necessary or incident to
33 project financings, and to the acquisition, operation, maintenance, improvement, and
34 construction of a project and the placing of the same in operation by the Corporation
35 or other owner, including reasonable provision for working capital.

36 (e) "Includes or including" means includes or including by way of illustration
37 and not by way of limitation.

1 (f) (1) "Person" means any natural person, corporation, firm, partnership,
 2 COMPANY, LIMITED LIABILITY COMPANY, cooperative, political subdivision, or other
 3 entity, WHETHER OPERATING FOR PROFIT OR NOT FOR PROFIT.

4 (2) "PERSON" INCLUDES ~~A PERSON~~ ANY ENTITY DESCRIBED IN
 5 PARAGRAPH (1) OF THIS SUBSECTION THAT IS CREATED, OWNED, OR CONTROLLED
 6 BY THE CORPORATION OR A PERSON ANY ENTITY DESCRIBED IN PARAGRAPH (1) OF
 7 THIS SUBSECTION OF WHICH THE CORPORATION IS A MEMBER.

8 (g) "Political subdivision" means any county, municipal corporation, State or
 9 local agency, or other public body or agency created or established under State or local
 10 law.

11 (h) (1) "Project" means [the establishment of economic activity on properties
 12 conveyed to the Corporation under § 5-213 of this subtitle and includes those
 13 facilities and properties used or useful in connection with manufacturing, retail,
 14 trade, service industries, supply, wholesaling, warehousing, or any other industrial,
 15 commercial, or business purposes, including any combination of these activities,
 16 whether for profit or not for profit, and whether or not any facilities are located on a
 17 single site] ~~A PROJECT,~~ EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS
 18 SUBSECTION, ANY PROPERTY, THE ACQUISITION, CONSTRUCTION,
 19 RECONSTRUCTION, EQUIPPING, EXPANSION, EXTENSION, IMPROVEMENT,
 20 REHABILITATION, OR REMODELING OF WHICH THE BOARD OF DIRECTORS OF THE
 21 CORPORATION, IN ITS SOLE AND ABSOLUTE DISCRETION, FINDS AND DETERMINES
 22 BY RESOLUTION WILL ACCOMPLISH AT LEAST ONE OF THE LEGISLATIVE PURPOSES
 23 UNDER § 5-202(B) OF THIS SUBTITLE, WHETHER THE ~~PROJECT~~ PROPERTY, OR ANY
 24 INTEREST IN THE ~~PROJECT~~ PROPERTY:

25 (I) ~~ARE IS~~ OR WILL BE USED OR OPERATED FOR PROFIT OR NOT
 26 FOR PROFIT;

27 (II) ~~ARE IS~~ OR WILL BE LOCATED ON A SINGLE SITE OR MULTIPLE
 28 SITES; OR

29 (III) MAY BE FINANCED BY BONDS, THE INTEREST ON WHICH IS
 30 EXEMPT FROM FEDERAL INCOME TAXATION UNDER FEDERAL LAW.

31 (2) [The term "project"] "PROJECT" includes:

32 (I) [land] LAND OR ANY INTEREST IN LAND[.];

33 (II) [buildings] BUILDINGS, structures, machinery, equipment,
 34 furnishings, rail or motor vehicles, barges, AND boats [, and];

35 (III) [all real] REAL or personal [properties] PROPERTY, OR ANY
 36 COMBINATION OF THEM, and rights [therein] RELATED TO THE PROPERTY, [and]
 37 appurtenances, rights-of-way, franchises, easements, and other interests in land[.];

38 (IV) [all land] LAND and facilities which are functionally related
 39 and subordinate to the project; and

1 (V) [all patents] PATENTS, licenses, and other rights necessary or
 2 useful in the construction or operation of a project. [It also includes any facilities and
 3 properties within the definition of "project" set forth in this section, whether or not
 4 such facilities or properties can be financed by bonds the interest on which is tax
 5 exempt under the Internal Revenue Code.]

6 (3) "PROJECT" DOES NOT INCLUDE A PROJECT PROPERTY:

7 ~~(I) FOR WHICH BONDS ISSUED TO FINANCE THE PROJECT ARE~~
 8 ~~PAYABLE OR GUARANTEED, DIRECTLY OR INDIRECTLY, BY A NONPROFIT "HOSPITAL";~~
 9 ~~AN "INSTITUTION FOR HIGHER EDUCATION", OR A "NONCOLLEGIATE EDUCATIONAL~~
 10 ~~INSTITUTION", AS THOSE TERMS ARE DEFINED IN ARTICLE 43C, § 3 OF THE CODE;~~
 11 ~~AND~~

12 ~~(II) (I) THAT IS ELIGIBLE TO BE FINANCED UNDER ARTICLE 43C~~
 13 ~~OF THE CODE; AND~~

14 (II) FOR WHICH ANY BONDS ISSUED TO FINANCE THE PROPERTY
 15 ARE PAYABLE OR GUARANTEED, DIRECTLY OR INDIRECTLY, BY A "HOSPITAL",
 16 "INSTITUTION FOR HIGHER EDUCATION", OR "NONCOLLEGIATE EDUCATIONAL
 17 INSTITUTION", AS THESE TERMS ARE DEFINED IN ARTICLE 43C, § 3 OF THE CODE.

18 (i) "Revenues" includes all income, revenues, and other moneys received by
 19 the Corporation from or in connection with any project, including grants, rentals,
 20 rates, fees, charges for the use of the services furnished or available, and all other
 21 income inuring to the Corporation; provided that the Corporation may further define
 22 or limit the term "revenues" as applied to a particular project, financing, or other
 23 matter.

24 5-202.

25 (a) The General Assembly declares and finds that Maryland's economy
 26 continues to experience technological change and restructuring. The General
 27 Assembly recognizes that, while technological change sometimes results in economic
 28 contraction and dislocation, it also affords opportunities to expand productive
 29 employment and expand the State's economy and tax base.

30 (b) (1) THE GENERAL ASSEMBLY DECLARES THAT THE LEGISLATIVE
 31 PURPOSES OF THE CORPORATION ARE TO:

32 (I) RELIEVE CONDITIONS OF UNEMPLOYMENT IN THE STATE;

33 (II) ENCOURAGE THE INCREASE OF BUSINESS ACTIVITY AND
 34 COMMERCE AND A BALANCED ECONOMY IN THE STATE;

35 (III) ASSIST IN THE RETENTION OF EXISTING BUSINESS ACTIVITY
 36 AND COMMERCE AND IN THE ATTRACTION OF NEW BUSINESS ACTIVITY IN THE
 37 STATE;

38 (IV) PROMOTE ECONOMIC DEVELOPMENT; AND

1 (V) GENERALLY PROMOTE THE PRESENT AND PROSPECTIVE
2 HEALTH, HAPPINESS, SAFETY, RIGHT OF GAINFUL EMPLOYMENT, AND GENERAL
3 WELFARE OF THE RESIDENTS OF EACH OF THE COUNTIES AND MUNICIPALITIES OF
4 THE STATE.

5 (2) The General Assembly further declares and finds that the
6 establishment of a State public corporation to [develop certain vacant or
7 underutilized industrial sites and facilities as well as other economic resources in
8 which the private sector has not demonstrated serious and significant interest or
9 development capability would serve the public interest. It would] ACQUIRE,
10 CONSTRUCT, RECONSTRUCT, EQUIP, EXPAND, EXTEND, IMPROVE, REHABILITATE, OR
11 REMODEL PROJECTS WILL:

12 (I) SERVE THE PUBLIC INTEREST BY ACCOMPLISHING ONE OR
13 MORE OF THE CORPORATION'S LEGISLATIVE PURPOSES; AND

14 (II) [complement] COMPLEMENT existing State marketing
15 programs administered by the Department and through the Department's financial
16 assistance programs such as those of the Maryland Industrial Development
17 Financing Authority [, the Maryland Industrial Land Act, and the Maryland
18 Industrial and Commercial Redevelopment Fund Act] AND THE MARYLAND
19 ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY.

20 (3) [The] IN ADDITION, THE General Assembly finds that the State lacks
21 and needs direct property development capability for economic development purposes.

22 (c) The General Assembly intends that:

23 (1) [the Maryland Economic Development] THE Corporation operate
24 AND EXERCISE ITS CORPORATE POWERS IN ALL areas of the State [experiencing
25 significant economic dislocation or distress and];

26 (2) WITHOUT LIMITING ITS AUTHORITY TO OTHERWISE EXERCISE ITS
27 CORPORATE POWERS, [that it] THE CORPORATION exercise its corporate powers to
28 assist POLITICAL SUBDIVISIONS AND State and local economic development agencies
29 to contribute in the expansion, modernization, and retention of existing Maryland
30 enterprises as well as the attraction of new business to the State[. In furtherance of
31 the purposes of this subtitle, it is also intended that the Corporation structure its
32 projects in a manner which accelerates the transfer of facilities and sites into
33 productive use in the private sector and];

34 (3) THE CORPORATION cooperate with private industry councils,
35 representatives of labor, and local governments in maximizing new economic
36 opportunities for the citizens of this State[.]; ~~AND~~

37 (4) THE CORPORATION ACCOMPLISH AT LEAST ONE OF THE
38 LEGISLATIVE PURPOSES UNDER SUBSECTION (B)(1) OF THIS SUBTITLE SECTION AND
39 COMPLEMENT EXISTING STATE MARKETING AND FINANCIAL ASSISTANCE
40 PROGRAMS BY:

1 (I) OWNING PROJECTS;
 2 (II) OWNING AND LEASING PROJECTS TO ONE OR MORE PERSONS;
 3 OR

4 (III) LENDING THE PROCEEDS OF BONDS TO ONE OR MORE
 5 PERSONS TO FINANCE OR REFINANCE THE COSTS OF ACQUIRING, CONSTRUCTING,
 6 RECONSTRUCTING, EQUIPPING, EXPANDING, EXTENDING, IMPROVING,
 7 REHABILITATING, OR REMODELING PROJECTS OWNED OR TO BE OWNED BY THE
 8 PERSON OR PERSONS OR ANY COMBINATION OF THEM; AND

9 (5) ~~(I)~~ THE CORPORATION NOT OWN AND OPERATE A PROJECT
 10 UNLESS:

11 (I) THE BOARD OF DIRECTORS OF THE CORPORATION FINDS AND
 12 DETERMINES BY RESOLUTION THAT THE PRIVATE SECTOR HAS NOT
 13 DEMONSTRATED SERIOUS AND SIGNIFICANT INTEREST AND DEVELOPMENT
 14 CAPACITY TO OWN AND OPERATE THE PROJECT; OR

15 (II) A REPRESENTATIVE OF A POLITICAL SUBDIVISION, OR A
 16 DESIGNATED AGENCY OR INSTRUMENTALITY OF THE POLITICAL SUBDIVISION, HAS
 17 REQUESTED IN WRITING THAT THE CORPORATION OWN AND OPERATE THE
 18 PROJECT.

19 5-205.

20 The Corporation may:

21 (1) Adopt bylaws for the regulation of its affairs and the conduct of its
 22 business;

23 (2) Adopt an official seal and alter it at pleasure;

24 (3) Maintain offices at a place within the State that it designates;

25 (4) Apply for and accept any loans, grants, or assistance of any character
 26 from the federal government, State government, or local governments, or any private
 27 sources;

28 (5) Make, execute, and enter into any contracts or other legal
 29 instruments;

30 (6) Sue and be sued in its own name;

31 (7) Acquire, construct, develop, manage, market, reconstruct,
 32 rehabilitate, improve, maintain, equip, lease as lessor or as lessee, repair, and operate
 33 any project within the State of Maryland;

34 (8) Acquire, purchase, hold, lease as lessee, and use any franchise,
 35 patent, or license and any property whether real, personal, mixed, or tangible or

1 intangible, or any interest in such property, necessary or convenient for carrying out
2 the purposes of the Corporation;

3 (9) Sell, lease as lessor, transfer, and dispose of any property or interest
4 in it at any time acquired by it;

5 (10) Acquire, either directly or by or through any person or political
6 subdivision, by purchase or by gift or devise any lands, structures, property, whether
7 real or personal, rights, rights-of-way, franchises, easements, and other interests in
8 lands, including lands lying under water and riparian rights which are located within
9 or without the State that it deems necessary or convenient for the construction,
10 improvement, rehabilitation, or operation of a project, upon any terms and at any
11 prices that it considers to be reasonable;

12 (11) Acquire real property or rights or easements in it by condemnation
13 for projects in accordance with all laws applicable to the condemnation of property for
14 public use; however, in exercising the power of eminent domain for any project, the
15 action shall be approved by resolution of the legislative body of each political
16 subdivision in which the property to be taken is located by at least a 2/3 majority;

17 (12) Borrow money and issue bonds for the purpose of financing or
18 refinancing all or any part of the cost of any 1 or more projects or for any other
19 corporate purpose of the Corporation; secure the payment of such borrowing or any
20 part by pledge of or mortgage or deed of trust on all or any part of its properties or
21 revenues; combine projects for financing, make agreements with or for the benefit of
22 the purchasers or holders of bonds or with others in connection with the issuance of
23 any bonds, whether issued or to be issued, that the Corporation deems advisable; and
24 otherwise provide for the security of such bonds and the rights of the holders of them;

25 (13) Fix, revise from time to time, and collect rates, rentals, fees, and
26 charges for the use of or for services and facilities provided or made available by the
27 Corporation;

28 (14) Enter with the permission of the owner upon lands, waters, or
29 premises for the purpose of making surveys, soundings, borings, and examinations to
30 accomplish any purpose authorized by this subtitle;

31 (15) MAKE LOANS TO A PERSON OR PERSONS:

32 (I) FOR THE PURPOSE OF FINANCING OR REFINANCING, IN WHOLE
33 OR IN PART, THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING,
34 EXPANSION, EXTENSION, IMPROVEMENT, REHABILITATION, OR REMODELING OF A
35 PROJECT ~~FOR THE PURPOSE OF REFINANCING A PROJECT; AND~~

36 (II) TO REFUND OUTSTANDING BONDS, MORTGAGES, ADVANCES,
37 LOANS, OR OTHER OBLIGATIONS MADE OR GIVEN BY THE PERSON OR PERSONS FOR
38 THE PURPOSE OF FINANCING OR REFINANCING, IN WHOLE OR IN PART, THE
39 ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EQUIPPING, EXPANSION,
40 EXTENSION, IMPROVEMENT, REHABILITATION, OR REMODELING OF A PROJECT;

1 (16) CREATE, OWN, CONTROL, OR BE A MEMBER OF, A CORPORATION,
2 LIMITED LIABILITY COMPANY, PARTNERSHIP OR OTHER PERSON, WHETHER
3 OPERATED FOR PROFIT OR NOT FOR PROFIT;

4 [(15)] (17) Exercise any power usually possessed by private corporations in
5 performing similar functions, which is not in conflict with the Constitution and the
6 laws of this State; and

7 [(16)] (18) Do all things necessary and convenient to carry out the powers
8 expressly granted by this subtitle.

9 5-206.

10 (a) The Corporation may provide by resolution for the issuance at 1 time, or in
11 series from time to time, revenue bonds of the Corporation for the purpose of
12 financing or refinancing all or a part of the costs of a project, and for all other lawful
13 corporate purposes of the Corporation set out in this subtitle.

14 (b) The bonds shall be dated, shall bear interest at a rate or rates, and shall
15 mature at such time or times not exceeding 40 years from the date or dates of their
16 respective issues, as may be determined by the Corporation, and may be sold at the
17 price or prices and under the terms and conditions fixed by the Corporation before the
18 issuance of the bonds. The principal of and the interest on the bonds may be made
19 payable in any lawful medium. THE PROCEEDS OF ANY BONDS MAY BE PLACED IN
20 ESCROW PENDING APPLICATION OF THE PROCEEDS TO THE PURPOSES FOR WHICH
21 THE BONDS ARE ISSUED.

22 (c) The bonds shall not be deemed to constitute a debt, liability, or a pledge of
23 the full faith and credit of the State of Maryland or of any political subdivision thereof
24 other than the Corporation, but such bonds shall be payable solely from the funds
25 herein provided. All bonds of the Corporation shall contain on their face a statement
26 to the effect that neither the State of Maryland nor any political subdivision thereof
27 other than the Corporation shall be obligated to pay the same or the interest on them
28 except from revenues pledged to them and that neither the full faith and credit nor
29 the taxing power of the State or any political subdivision thereof is pledged to the
30 payment of the principal of or the interest on the bonds. The issuance of bonds under
31 this subtitle is not directly or indirectly or contingently an obligation, moral or other,
32 of the State of Maryland or any political subdivision thereof to levy or pledge any form
33 of taxation whatever therefor or to make any appropriation for their payment.
34 Nothing in this section shall prevent the Corporation from pledging its full faith and
35 credit to the payment of bonds authorized under this subtitle. However, this section
36 does not limit the ability of the State or a subdivision to set, impose, or collect an
37 assessment, rate, fee, or charge to pay to the Corporation the cost of a project,
38 including the principal of and interest on a bond, under an agreement between the
39 Corporation and the State or political subdivision.

40 (d) The Corporation shall determine the form of the bonds, the manner of
41 executing the bonds, the denomination or denominations of the bonds, and the place

1 or places of payment of principal and interest which may be a bank or trust company
2 within or outside of the State.

3 (e) The bonds shall be executed in the manner determined by the Corporation.
4 If any officer whose signature or facsimile thereof appears on any bond ceases to be
5 such officer before the delivery of the bonds, the signature or facsimile thereof shall
6 nevertheless be valid and sufficient for all purposes the same as if the officer had
7 remained in office until the delivery.

8 (f) All bonds issued under the provisions of this section have and are hereby
9 declared to have, as between successive holders, all the qualities and incidents of
10 negotiable instruments under the Negotiable Instruments Law of the Uniform
11 Commercial Code of this State. Provisions may be made for the registration of bonds.

12 (g) The bonds shall be sold by the Corporation, at public or private sale, in
13 such manner and for such price as it may determine to be for its best interests. None
14 of the provisions of §§ 8-206 and 8-208 of the State Finance and Procurement Article
15 have any application to the bonds hereby authorized and the bonds are explicitly
16 exempted from those provisions.

17 (h) (1) The Corporation may provide for the issuance of its bonds for the
18 purpose of refunding any [of its] bonds then outstanding, including the payment of
19 any redemption premium thereon and any interest accrued or to accrue to the earliest
20 or any subsequent date of redemption, purchase, or maturity of [its] THE bonds, and,
21 if deemed advisable by the Corporation, for the additional purpose of paying all or any
22 part of the cost of a project. Refunding bonds may be issued by the Corporation for
23 any corporate purpose, including the public purposes of realizing savings in the
24 effective costs of debt service, directly or through a debt restructuring, or alleviating
25 an impending or actual default or relieving the Corporation of contractual agreements
26 which, in the opinion of the Corporation, have become unreasonably onerous or
27 impracticable or impossible to perform. Refunding bonds in 1 or more series may be
28 issued in an amount in excess of that of the bonds to be refunded. Without limiting
29 the extent or nature of any sources of payment provided by the Corporation,
30 refunding bonds may be made payable from escrowed bond proceeds and from
31 interest, income, and profits, if any, on investments. Such sources may be so applied
32 in addition to other lawful uses and shall constitute revenues of a project under this
33 subtitle.

34 (2) The proceeds of bonds issued for the purpose of refunding
35 outstanding bonds may, in the discretion of the Corporation, be applied to the
36 purchase or retirement at maturity or redemption of such outstanding bonds either
37 on their earliest or any subsequent redemption date, and may, pending such
38 application, be placed in escrow to be applied to such purchase or retirement at
39 maturity or redemption on such date as may be determined by the Corporation.

40 (3) (I) Any escrowed bond proceeds, pending such use, may be invested
41 and reinvested in [obligations of or guaranteed by the United States of America, or in
42 certificates of deposit or time deposits secured by obligations of or guaranteed by the
43 United States of America,] INVESTMENTS AND OTHER OBLIGATIONS maturing at

1 such time or times as shall be appropriate to assure the prompt payment, as to
2 principal, interest, and redemption premium, if any, of the outstanding bonds to be so
3 refunded.

4 (II) THE INVESTMENT OF THE BOND PROCEEDS SHALL BE:

5 1. DETERMINED BY THE CORPORATION; OR

6 2. IF THE PROCEEDS OF THE BONDS ARE BEING LOANED BY
7 THE CORPORATION TO A PERSON PURSUANT TO SUBSECTION (K) OF THIS SECTION,
8 DETERMINED BY THE PERSON.

9 (III) The interest, income, and profits, if any, earned or realized on
10 any [such investment] THE INVESTMENTS OR OTHER OBLIGATIONS may also be
11 applied to the payment of the outstanding bonds to be so refunded.

12 (IV) After the terms of the escrow have been fully satisfied and
13 carried out, any balance of [such] THE proceeds and interest, income, and profits, if
14 any, earned or realized on [the investments thereof] THE INVESTMENTS OR OTHER
15 OBLIGATIONS may be returned to the Corporation OR THE PERSON BEING LOANED
16 THE PROCEEDS OF THE BONDS for use [by it] in any lawful manner.

17 [(4)] (I) (1) The portion of the proceeds of any [of its] bonds issued for
18 the [additional] purpose of paying all or any part of the cost of a project may be
19 invested and reinvested in [obligations of or guaranteed by the United States of
20 America, or in certificates of deposit or time deposits secured by obligations of or
21 guaranteed by the United States of America, maturing] INVESTMENTS AND ANY
22 OTHER OBLIGATIONS MATURING not later than the time or times when such proceeds
23 will be needed for the purpose of paying all or any part of such cost.

24 (2) THE INVESTMENT OF THE BOND PROCEEDS SHALL BE:

25 (I) DETERMINED BY THE CORPORATION; OR

26 (II) IF THE PROCEEDS OF THE BONDS ARE BEING LOANED BY THE
27 CORPORATION TO A PERSON PURSUANT TO SUBSECTION (K) OF THIS SECTION,
28 DETERMINED BY THE PERSON.

29 (3) The interest, income, and profits, if any, earned or realized on [such
30 investment] THE INVESTMENTS OR OTHER OBLIGATIONS may be applied to the
31 payment of all or any part of [such] THE cost or may be used by the Corporation OR
32 THE PERSON BEING LOANED THE PROCEEDS OF THE BONDS in any lawful manner.

33 [(i)] (J) The Corporation may pledge or assign all or any portion of its
34 revenues, its rights to receive them, or moneys and securities in the funds and
35 accounts established to secure its bonds and any lien or security interest granted or
36 assignment made by the Corporation. Any pledge or assignment shall be valid and
37 binding against any person having a claim of any kind against the Corporation, in
38 contract, tort, or otherwise, irrespective of whether the person has notice and shall be
39 prior to such claim. No resolution, trust indenture, assignment, financing agreement,

1 or other instrument creating a lien on, security interest in, or assignment of any
2 revenues, its rights to receive revenues or moneys and securities in the funds and
3 accounts pledged to bonds of the Corporation need be filed or recorded except in the
4 records of the Corporation.

5 [(j)] (K) The Corporation may lend or otherwise make available the proceeds
6 of its bonds to any person in order to finance or refinance the costs of any project, and
7 may enter into such financing agreements, mortgages, and other instruments as it
8 may determine to be necessary or desirable to evidence or secure such loan. If any
9 project is leased to any person, the lease may provide that upon the payment of the
10 bonds that financed or refinanced the cost of the project and interest thereon (or
11 provision for such payment satisfactory to the Corporation), the lessee or another
12 person may or shall purchase or otherwise acquire the project for such consideration,
13 which may be nominal, as may be established by the Corporation.

14 [(k)] (L) (1) At the discretion of the Corporation, the bonds may be secured
15 by a trust indenture by and between the Corporation and corporate trustee, which
16 may be any trust company or bank having the powers of a trust company within or
17 outside of the State. Either the resolution providing for the issuance of bonds or the
18 trust indenture may contain provisions for protecting and enforcing the rights and
19 remedies of the bondholders, including covenants setting forth the duties of the
20 Corporation in relation to the custody, safeguarding, and application of all moneys. It
21 shall be lawful for any corporation or trust company incorporated under the laws of
22 this State to act as depository of the proceeds of the bonds or revenues and to furnish
23 any indemnity bonds or to pledge any securities that the Corporation requires.

24 (2) The resolution or trust indenture may set forth the rights and
25 remedies of the bondholders and of any trustee, and may restrict the individual right
26 of action of bondholders. The Corporation may provide by resolution or by the trust
27 indenture for the payment of the proceeds of the sale of the bonds and the revenues of
28 the Corporation to such officer, board, or depository as it determines for their custody
29 and for the method of disbursement, with such safeguards and restrictions as it
30 determines. All expenses incurred in carrying out any trust indenture may be treated
31 as a part of the cost of operation of the Corporation.

32 5-212.

33 (a) The Corporation may provide for the creation, continuation, and
34 administration of any funds it may require. Money in these funds and other money of
35 the Corporation shall be deposited, as directed by the Corporation, in any State or
36 national bank, or federally or State insured savings and loan associations [located in
37 the State] having a total paid-in capital of at least \$1,000,000. The trust department
38 of any State or national bank or savings and loan association may be designated as a
39 depository to receive any securities acquired or owned by the Corporation.

40 5-215.

41 IN A SUIT, ACTION, OR PROCEEDING INVOLVING THE VALIDITY OR
42 ENFORCEABILITY OF AN AGREEMENT ENTERED INTO BY THE CORPORATION UNDER

1 THIS SUBTITLE, OR OF BONDS ISSUED BY THE CORPORATION, OR ANY SECURITY
2 RELATING TO THE BONDS, A FINDING BY THE CORPORATION'S BOARD OF DIRECTORS
3 CONCERNING THE PUBLIC PURPOSE OF AN ACTION TAKEN OR THE LEGISLATIVE
4 INTENT EXPRESSED UNDER THIS SUBTITLE AND THE APPROPRIATENESS OF THE
5 ACTION ~~TO SERVE~~ IN SERVING THE PUBLIC PURPOSE AND SATISFYING THE
6 LEGISLATIVE INTENT EXPRESSED UNDER THIS SUBTITLE SHALL BE CONCLUSIVE.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
8 measure, is necessary for the immediate preservation of the public health and safety,
9 has been passed by a yea and nay vote supported by three-fifths of all the members
10 elected to each of the two Houses of the General Assembly, and shall take effect from
11 the date it is enacted.